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Activities and administration of the TIR Executive Board:

Administration of the TIR Executive Board and the TIR secretariat –

Budget proposal and cost plan for the year 2017

Budget proposal and Unreleased Budget (cost plan) for the year 2017

Note by the secretariat

Summary

The present document is submitted pursuant to Annex 8, Article 13 of the TIR Convention, 1975, which stipulates that the budget and Unreleased Budget (cost plan) of the TIR Executive Board (TIRExB) and TIR secretariat have to be approved by the Administrative Committee.

1. In accordance with Annex 8, Article 13 of the Convention, the TIRExB has prepared the present budget proposal and a cost plan providing for its operation in the year 2017. The budget proposal and cost plan, as contained in the present document, will be finalized and approved by the TIRExB at its October meeting. Modifications, if any, decided upon by the TIRExB at this meeting, will be reflected in a corrigendum to this document.
2. The proposed Unreleased Budget (cost plan) for 2017 is estimated at US\$ 1,598,950 inclusive of programme support costs (see annex I), reflecting a net decrease of US\$ 33,900 compared to the approved budget and Unreleased Budget (cost plan) for the TIRExB and the TIR secretariat for 2016. The changes in the unreleased budget (cost plan) are detailed by object of expenditure in line with object class groupings as defined in the new Enterprise Resource Planning (ERP) system utilized by the United Nations (UMOJA) and are reflected in annex I.
3. The United Nations requires that an operating cash reserve at the level of 15 per cent of the annual estimated expenditures be maintained to cover exchange rate fluctuation, shortfalls and to meet final expenditures including any liquidating liabilities. An operating cash reserve equivalent to US\$ 212,250 (i.e. 15 per cent of US\$ 1,415,000) would, therefore, be needed in 2017. As such, the estimated resource requirements for 2017 amount to a total of US\$ 1,811,200. However, taking into account the estimated available balance at 31 December 2016, available for 2017 operations (US\$ 766,111), the actual additional amount required for 2017 is estimated at US\$ 1,045,089. The resources of US\$ 305,000, exceptionally transferred by IRU in 2004 to be used in the event of termination of the UNECE/IRU agreement, and the provision of US\$ 307,100 for installation and separation costs will be left unallotted and carried forward from year to year until required (see annex II).
4. It is currently estimated that some 1,480,000 million TIR Carnets will be issued in 2017. Under this scenario, an amount per TIR Carnet of US\$ 0.71 (rounded) will be required to generate the income necessary to cover the additional funds of US\$ 1,045,089 needed for the 2017 operations of TIRExB and the TIR Secretariat.
5. Taking into account the recorded deficit of the year 2015, due to the lower number of TIR Carnets distributed in 2015 than had originally been forecasted (ECE/TRANS/WP.30/AC.2/129, para 18), IRU recommends to apply the amount per TIR Carnet that was applied in 2016, amounting to US\$ 0.88 per TIR Carnet (see Informal document WP.30/AC.2 (2016) No. 5), which would amount to US\$ 1,344,989 instead of the US\$ 1,045,089 needed for the 2017 operations of TIRExB and the TIR Secretariat. The additional amount of US\$ 299,900, equivalent to US\$ 0.17 per TIR Carnet, will be used to cover the 2015 IRU deficit. This additional amount exceeds the amount of the 2015 deficit by US\$ 61,143 and could either cover a possible deficit in 2016 or will be transferred to the TIRExB budget in March 2018 (ECE/TRANS/WP.30/AC.2/89).
6. Annex 2 of document ECE/TRANS/WP.30/AC.2/89 provides steps, procedures and related timeline for the financing of the operation of the TIRExB.

Annex I

Proposed Unreleased Budget (Cost Plan) for 2017

Programme: TIR Executive Board (TIRExB) and TIR secretariat

(Title of Trust Fund: "Transport International Routier - TIR" Account No.: ECE-0894-E211-2233)

<i>Object of expenditure</i>	<i>Amount (in US\$)</i>
Staff and personnel costs (P level, G level and consultants)	1 248 000
Travel (official travel of staff, travel of meeting participants)	110 000
Operating and other direct costs (e.g. staff training, communication costs, pouches, postage, hospitality etc.)	22 000
Contractual services	25 000
Equipment, vehicles and furniture	10 000
Sub-total	1 415 000
Programme Support at 13%	183 950
Total	1 598 950

TIR Trust Fund resource requirements for the year 2017

1. Staff and personnel costs: US\$ 1,248,000

The proposed resources of US\$ 1,248,000 under this object class reflect a net decrease of US\$ 19,000 and provide for a total of seven posts (five Professional and two General Service posts), comprising the TIR secretariat, as well as for consultants' fees and travels. The responsibility for the TIR secretariat is vested in the TIR Secretary (P-5), under the supervision of the Director of the Sustainable Transport Division (D-1). The functions of the TIR secretariat are to assist the TIR secretary in the servicing and implementation of the decisions of the TIR Executive Board, as laid down in the TIR Convention, Annex 8, Article 12. The proposed amount for staff and personnel costs in the TIR secretariat is subdivided as follows:

(a) Professional grade staff US\$ 938,000

The proposed resources of US\$ 938,000 reflect a decrease of US\$ 19,000, and provide for the salary and related costs¹ for one year (12 months) of five internationally recruited staff on fixed-term appointments (three P-4, one P-3 and one P-2). The decrease of US\$ 19,000 is due to the fact that no additional requirements for short-term staff are expected in 2017.

(b) Administrative Support Personnel US\$ 280,000

The proposed resources of US\$ 280,000 under this object of expenditure, are requested at a maintenance level and provide for the salary and related costs² for one year (12 months) of two administrative support staff on fixed term appointments (one G-4 and one G-5).

¹ In line with the United Nations Staff regulations and Rules.

² In line with the United Nations Staff regulations and Rules.

(c) *Consultant fees and travels US\$ 30,000*

The proposed resources amounting to US\$ 30,000 are requested at a maintenance level for specialized services not available in house to prepare specific studies as mandated by the TIR Executive Board (TIRExB).

2. Travel: US\$ 110 000

The proposed resources amounting of US\$ 110,000 under this heading, reflect a net decrease of US\$ 10,000 and provide for the official travel of staff and the travel and Daily Subsistence Allowance of meeting participants. The proposed amount for travel is sub-divided as follows:

(a) *Travel of staff US\$ 60,000*

The proposed resources amounting to US\$ 60,000, reflect a decrease of US\$ 10,000 and provide for travel of project staff and the TIR Secretary for (a) consultation and participation in conferences, meetings and seminars concerning the TIR Convention organized by the TIR secretariat, TIRExB or other international organizations; (b) meetings and consultations with other international organizations relevant to the TIR Convention; (c) attending meetings of TIRExB held outside Geneva. The decrease is related to the fact that some travel expenses are covered by host organizers and it is expected that the same level of travels will be undertaken in 2017.

(b) *Travel of meeting participants US\$ 50,000*

The proposed resources amounting to US\$ 50,000 are requested at a maintenance level and provide for the Daily Subsistence Allowance (DSA) for the nine members of the TIRExB for its regular meetings in Geneva or elsewhere, as well as for travel and DSA for meeting participants/experts invited to take part in TIR seminars and workshops.

3. Operating and other direct costs: US\$ 22,000³

The proposed resources amounting of US\$ 22,000 under this object class, are requested at a maintenance level and provide for staff training, communication costs, hospitality and other miscellaneous expenses. The proposed resources for operating and other direct costs are sub-divided as follows:

(a) *Staff Training US\$ 10,000*

The proposed resources of US\$ 10,000 under this object of expenditure, are at a maintenance level and provide for training costs of the TIR secretariat staff.

(b) *Communication costs and miscellaneous expenses US\$ 12,000*

The estimated requirements under this object of expenditure, at maintenance level and provide for communication costs (i.e. postage, fax, long distance calls, and pouch), hospitality, stationery, miscellaneous and operating expenses related to the implementation of the project activities

³ Resources under this heading have been realigned to comply with UMOJA object class/codes groupings

4. Contractual Services: US\$ 25,000

The estimated resource requirements of US\$ 25,000, under this object class, are requested at a maintenance level and are intended to cover the following object of expenditures such as payment of meeting rooms, interpretation, translations, external printing of training materials, and other miscellaneous expenses, etc., related to TIR Seminars and TIRExB meetings organized outside the UN premises.

5. Equipment, vehicles and furniture: US\$ 10,000

The proposed resources amounting to US\$ 10,000 under office automation and equipment, reflect a net decrease of US\$ 1,000 and provide for the acquisition, replacement and repairs/maintenance of relevant electronic and computer office equipment (PCs, printers, copy machine, fax, office furniture, etc.), including data base hard and software systems.

Annex II

Local Technical Cooperation Trust Fund		
Transport international routier - TIR		
Fund Statement (US dollars)		
(1) 2017 Projected Expenditures:		
2017 Estimated direct expenditures		1 415 000
13 % Programme Support Cost		183 950
15% Operating Cash Reserve (US\$ 1 415 000 X 15%)		212 250
2017 Estimated projected requirements (rounded)		<u>1 811 200</u>
Estimated Funds Available at 31 December 2016:		
Fund balance at 31 December 2015		
(including US\$ 12 523, 2014 contribution received in 2015)	1 354 685	
2016 Contribution (received on 15/11/2015)	1 343 939	
Total funds as at 31 December 2015	<u>2 698 624</u>	
<u>Less:</u> (The following estimates are inclusive of 13% Programme Support Cost)		
2016 Estimated projected expenditures	1 320 413	
Provision for Installation and Separation Costs (forwarded year-to-year)	307 100	
Provision for early termination UNECE/IRU Agreement (forwarded year-to-year)	<u>305 000</u>	
		1 932 513
(2) Total estimated available balance as at 31 December 2016 for 2017 operations		<u>766 111</u>
(3) Estimated Funds to be transferred for 2017 operation [(1)-(2)] (rounded)		<u>1 045 089</u>